

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE**

1800 Third Street, Suite 390  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 322-1554  
FAX (916) 323-6660

**SEEDS****State Enterprise and Economic Development Section****MANAGEMENT MEMORANDUM****Memorandum Number 7-02**

**Date:** March 19, 2007

**TO:** All Enterprise Zones

**From:** Frank Luera, Chief  
State Enterprise and Economic Development Section  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE

**SUBJECT:** Status of Targeted Employment Areas for New Enterprise Zones

This memorandum addresses the status of Targeted Employment Areas (TEAs) for enterprise zones that recently expired but subsequently obtained conditional designation for a new enterprise zone. The Department of Housing and Community Development (Department) has concluded that these TEAs shall remain in effect until the enterprise zones receive final designation. At that time, the new enterprise zones will need to reapply for a Targeted Employment Area.

**Background**

In November 2006, the Department identified 23 new enterprise zones. Currently, all of these enterprise zones are in various stages of the conditional designation period, which will conclude when they obtain final designation. Although 5 (Santa Clarita, Fresno County, Arvin, Sacramento, and Compton) of these enterprise zones are precluded from any type of vouchers activity until after final designation, the remaining 18 enterprise zones may issue vouchers during the conditional designation period under the authority granted by AB 1550. Because this authority does not limit the eligibility categories available during this interim period, the Department has determined that all categories, including the TEA residency category, are eligible for consideration.

**Status of Original TEAs**

Because the 18 enterprise zones that can operate under AB 1550 previously expired, their TEAs presumably also expired at the same time. However, to ensure that applicants may continue to use the TEA residency category, and to minimize the impact on vouchers activities during the conditional designation period, the Department will allow these 18 enterprise zones to continue to operate their TEAs until they obtain final designation. At that time, these TEAs will expire.

Once all 23 of the new enterprise zones obtain final designation, they must formally apply to the Department if they want to establish a Targeted Employment Area during the designated period. To assist the enterprise zones with this process, the Department will soon issue instructions on how to apply for a TEA.

If you have any questions on your enterprise zone's TEA or would like more information on the TEA application process, please call me at (916) 327-2862.